

## Message Text

UNCLASSIFIED

PAGE 01 MANAGU 02999 231616Z

ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-07 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06

SP-02 EPG-02 OMB-01 /065 W

-----060279 240056Z /64

R 231513Z JUN 77

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 3583

UNCLAS MANAGUA 2999

E.O. 11652: N/A

TAGS: BPRO, PGOV, NU

SUBJECT: INFONAC CFF

REF: STATE 120363

1. EMBASSY HAS JUST RECEIVED LATEST FINANCIAL DATA ON INSTITUTO DE FOMENTO NACIONAL (INFONAC) WHICH, PER REFTEL, HAS REQUESTED THAT EXIMBANK EXTEND ITS \$2 MILLION CFF LINE TO MAY 31, 1978.

2. ACCORDING TO INFO CURRENTLY AVAILABLE TO EMBASSY, INFONAC'S FINANCIAL POSITION REMAINS UNFAVORABLE BUT SHOWS SIGNS OF IMPROVING. FOR EXAMPLE, ITS NET DOMESTIC ASSETS INCREASED BY OVER \$28 MILLION IN 1976 AND ARE PROJECTED TO RISE AN ADDITIONAL \$11 MILLION IN 1977 (TO \$152 MILLION). ON THE OTHER HAND, ITS NET INTERNATIONAL RESERVES CONTINUE TO SHOW DEFICIT BALANCES, INCREASING FROM ABOUT \$5 MILLION AT THE END OF 1975 TO NEARLY \$9 MILLION AT THE END OF 1976. FURTHERMORE, THAT DEFICIT IS PROJECTED TO GROW NEARLY \$3 MILLION MORE IN 1977. STILL, INFONAC'S CAPITAL AND OFFICIAL RESERVES INCREASED BY 70 PERCENT IN 1976, TO ABOUT \$40 MILLION, AND SHOULD BE NEAR THAT SAME LEVEL AT THE END OF 1977.

3. ACCORDING TO THE OFFICIAL GAZETTE, INFONAC SUFFERED A TOTAL OPERATING LOSS OF \$1.4 MILLION IN 1976 OWING PRIMARILY TO ADMINISTRATIVE AND TECHNICAL ASSISTANCE EXPENSES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANAGU 02999 231616Z

4. INFONAC'S BUDGET FOR 1977, AS INCLUDED IN THE CENTRAL GOVERNMENT'S BUDGET FOR THIS YEAR, FORESEES A DEFICIT OF SOME \$200,000 FOR THE YEAR. THIS WILL STILL LEAVE INFONAC WITH OVER \$3 MILLION IN RESERVES.

5. ON BALANCE, EMBASSY BELIEVES THAT EXIMBANK SHOULD FAVORABLE CONSIDER INFONAC'S REQUEST TO EXTEND ITS CREDIT LINE FOR ANOTHER YEAR.

UNDER ITS CURRENT PRESIDENT, DONALD SPENCER, INFONAC APPEARS TO  
BE GRADUALLY IMPROVING ITS OVER-ALL OPERATIONS. IT STILL HAS A LONG  
WAY TO GO, HOWEVER, BEFORE IT CAN BE TERMED AN EFFICIENT, STREAM-  
LINED DEVELOPMENTAL AGENCY.  
RUBENSTEIN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, FINANCIAL DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 23-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANAGU02999  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770225-0716  
**Format:** TEL  
**From:** MANAGUA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770627/aaaaaxkk.tel  
**Line Count:** 67  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 930ccf77-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 120363  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 02-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2058371  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INFONAC CFF  
**TAGS:** BPRO, PGOV, BBAK, NU, XMB, INFONAC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/930ccf77-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009